

SENATE BILL No. 284

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-19-8.

Synopsis: Approval of leases and bonds for classrooms. Removes the requirement that a school corporation conduct a feasibility study, hold public hearings, and hear public testimony on the alternative of using a 12 month school term instead of a nine month school term rather than expanding classroom space when the school corporation intends to issue bonds or enter into a lease agreement to finance the construction of additional classrooms.

Effective: July 1, 2005.

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January 6, 2005, read first time and referred to Committee on Education and Career Development.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 284

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-19-8 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) A school
3 corporation must file a petition requesting approval from the
4 department of local government finance to incur bond indebtedness,
5 enter into a lease rental agreement, or repay from the debt service fund
6 loans made for the purchase of school buses under IC 20-9.1-6-5 not
7 later than twenty-four (24) months after the first date of publication of
8 notice of a preliminary determination under IC 6-1.1-20-3.1(2), unless
9 the school corporation demonstrates that a longer period is reasonable
10 in light of the school corporation's facts and circumstances. A school
11 corporation must obtain approval from the department of local
12 government finance before the school corporation may:
13 (1) incur the indebtedness;
14 (2) enter into the lease agreement; or
15 (3) repay the school bus purchase loan.
16 This restriction does not apply to ad valorem property taxes which a
17 school corporation levies to pay or fund bond or lease rental

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indebtedness created or incurred before July 1, 1974.

(b) The department of local government finance may either approve, disapprove, or modify then approve a school corporation's proposed lease rental agreement, bond issue, or school bus purchase loan. Before it approves or disapproves a proposed lease rental agreement, bond issue, or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board.

(c) The department of local government finance shall render a decision not more than three (3) months after the date it receives a request for approval under subsection (a). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the school corporation. A school corporation may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) ~~After December 31, 1995,~~ The department of local government finance may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first

- (1) establishes that additional classroom space is necessary. and
- (2) conducts a feasibility study; holds public hearings; and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in IC 20-10.1-2-2)) rather than expanding classroom space.

(e) This section does not apply to school bus purchase loans made by a school corporation which will be repaid solely from the general fund of the school corporation.

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section.

SECTION 2. [EFFECTIVE JULY 1, 2005] IC 6-1.1-19-8, as amended by this act, applies to all proceedings pending before the department of local government finance on July 1, 2005, and all proceedings filed with the department of local government finance after June 30, 2005.

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